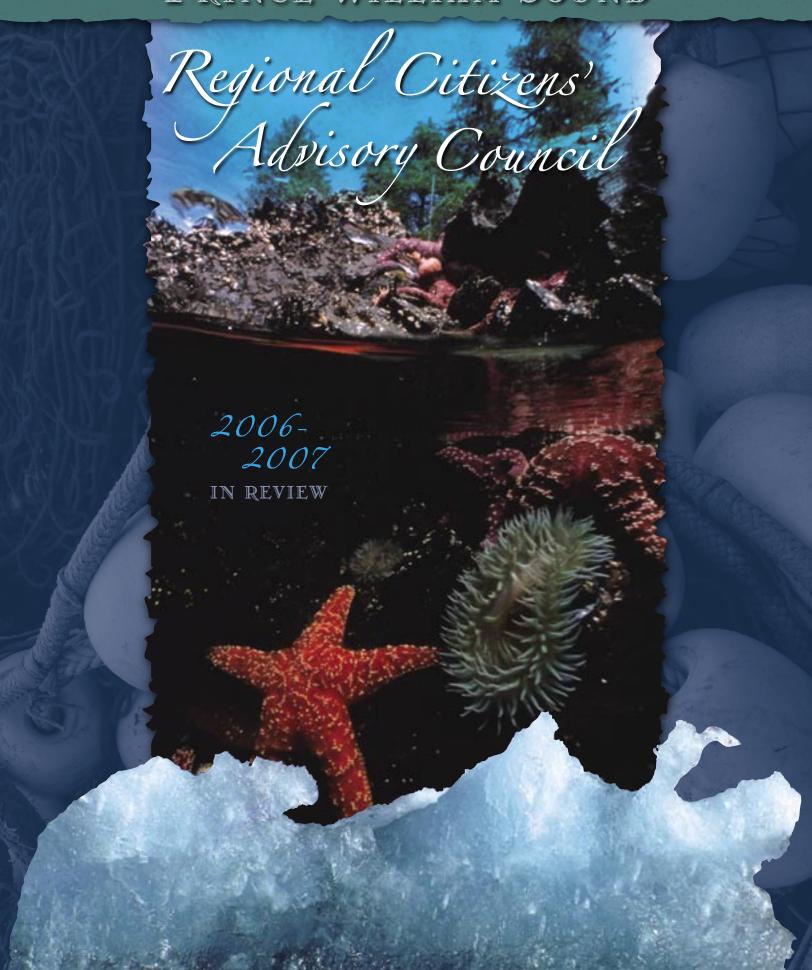
PRINCE WILLIAM SOUND





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Note: This report covers the period from July 2006 through June 2007.

Letter from the President and the Executive Director

ur council has had a productive year.
Our relations with the oil industry are on perhaps the best footing we've seen in a decade. Some old issues have been satisfactorily resolved, and, on balance, the new ones seem less contentious.

And we're happy to note that interest in citizen oversight continues around the world.

Here are some highlights of the past year:

- We started an oral history of the Exxon Valdez oil spill, featuring interviews with people directly involved in the spill and its aftermath. We expect to publish their memories in book form by March 2009, the 20th anniversary of the spill.
- We remain active on the threat that non-indigenous species from tanker ballast water pose to Alaska's maritime environment, especially its commercial, sport, and subsistence resources. With Congressional interest in this issue growing, we are pressing federal lawmakers to make sure any legislation on the subject requires ballast-water exchange, which is the best practice presently available for deterring invasions by non-indigenous species. In February 2007, we organized a successful film festival with a major focus on invasive species as part of the Alaska Forum on the Environment in Anchorage. We also initiated an annual science night to communicate our research efforts to our constituents and other researchers in our region.
 - Our last two annual reports noted our continuing concerns over the future of the

escort tugs that accompany loaded oil tankers through Prince William Sound. Those concerns were partly resolved over the past year when the tanker companies agreed to maintain the present fleet of ten tugs, at least for now. However, another question remains: what will happen to the tug fleet as federal escort requirements end with the transition to double-hull tankers? As discussed elsewhere in this report, the council in May 2007 called for continuing and strengthening the double-escort requirement.

- We produced "Where Do I Go From Here," a half-hour film aimed primarily at high-school students. It focuses on jobs in the marine sciences and seafaring. We hope it will help students find careers that let them work in their home communities.
- In fall 2006, as Congress investigated a partial shutdown of the Prudhoe Bay oilfield caused by pipeline corrosion, we were invited to provide information on how citizen oversight might work on Alaska's North Slope. We developed a whitepaper on the subject that was added to the Congressional record by Sen. Lisa Murkowski.

In May 2007, the council's executive director traveled at the invitation of the U.S. State Department to Finland and Estonia to discuss citizen involvement in oil spill prevention and response. Interest was intense; the executive director gave four major speeches and approximately 15 news interviews.

• This year saw an agreement that we believe will solve a long-running problem at Alyeska Pipeline Service Co.'s tanker terminal in Valdez: hazardous air pollution from the facility that cleans oily residue from tanker ballast water. After lengthy discussions among ourselves, Alyeska, and its oil-company owners, the owners committed to upgrades that should eliminate virtually all of this pollution by the end of 2008. In response, we published newspaper advertisements in Valdez and Anchorage commending the owners for their commitment, and we pledged to continue working with them to see the upgrades completed.



Patience Andersen Faulkner, President



John Devens, Executive Director

- We settled a dispute with Alyeska over the council's right to investigate the profitability of oil companies operating on Alaska's North Slope. Alyeska dropped its claim that the council may not use Alyeska contract funds for such investigations, and paid half our legal expenses.
- Over a period of years, we participated with Alyeska and the Alaska Department of Environmental Conservation in a remarkably cooperative workgroup process to develop an updated oil spill contingency plan for the tanker terminal. The process was such a model of effective interaction among citizens, industry, and regulators that we nominated Alyeska and the environmental conservation department for recognition from the Pacific States/British Columbia Oil Spill Task Force.

We saw the other side of this coin in a highly unsatisfactory contingency-planning process conducted by the companies that operate oil tankers. Their plan was prepared in private, without citizen participation, and was so deficient when first submitted that it was summarily rejected by the state. The tanker companies returned to the drawing board, set

up a highly compressed workgroup process, and invited us to participate. The revised contingency plan for oil tankers was approved by the state for public comment, and we hope the final version will be comparable in quality to Alyeska's terminal plan.

• In spring 2006, the council received whistleblower allegations of unsafe welds on some storage tanks at the Valdez tanker terminal. The council began an investigation that, while still in progress, has satisfactorily resolved all but two of 23 issues raised during the inquiry. Those two issues are now being investigated jointly by Alyeska and the council.

The federal Oil Pollution Act of 1990 called on citizens, industry and regulators to work as partners to prevent a return to the complacency that led up to the Exxon Valdez oil spill. We believe the accomplishments of the past year prove that process is working, and we commit to continue it in the coming year.

Mission & Responsibilities

Citizens Promoting
Environmentally Safe
Operation of the
Alyeska Terminal and
Associated Tankers

The Prince William Sound Regional Citizens' Advisory Council is an independent non-profit corporation guided by its mission: promoting environmentally safe operation of the Alyeska terminal in Valdez and the oil tankers that use it.

The council's 18 member organizations are communities in the region affected by the 1989 Exxon Valdez oil spill, as well as Alaska Native, aquaculture, commercial fishing, environmental, recreation, and tourism groups.

Consistent with its mission, the council's structure and responsibilities stem from two documents. The first is a contract with Alyeska, which operates the trans-Alaska pipeline as well as the Valdez terminal. Most of the council's operating funds come from this contract.

The second guiding document, enacted after the council was created, is the Oil Pollution Act, which required citizen oversight councils for Prince William Sound and Cook Inlet. Their purpose is to promote partnership and cooperation among local citizens, industry, and government, to build trust, and to provide citizen oversight of environmental compliance by oil terminals and tankers.



This massive oil spill response barge, complete with helipad, is stationed in Prince William Sound and ready for action at all times. Photo by Susan Sommer.

The Act allows an alternative, pre-existing organization to fulfill the requirement for citizen oversight and our council has done so for Prince William Sound since 1991. Each year, the U.S. Coast Guard certifies that the council fosters the general goals and purposes of the Oil Pollution Act and is broadly representative of the communities and interests as envisioned in the Act.

The council's contract with Alyeska pre-dates the Oil Pollution Act, but the similarities in the powers and duties given the council in the two documents are not coincidental. Many people involved in the establishment of the council also promoted citizen involvement requirements in the federal law.

In accordance with the provisions of the two documents, the council performs a variety of functions aimed at reducing pollution from crude oil transportation through Prince William Sound and the Gulf of Alaska:

- Monitor, review, and comment on oil spill response and prevention plans prepared by Alyeska and by operators of oil tankers.
- Monitor, review, and comment on the environmental protection capabilities of Alyeska and the tanker operators, as well as on the environmental, social, and economic impacts of their activities.
- Review and make recommendations on government policies, permits, and regulations relating to the oil terminal and tankers.

As part of these undertakings, the council regularly retains experts in various fields to conduct independent research and technical analysis on issues related to oil transportation safety.

The Alyeska contract also calls for the council to increase public awareness of the company's oil spill response, spill prevention, and environmental protection capabilities, as well as the actual and potential environmental impacts of terminal and tanker operations.

The contract states that the council may work on other related issues not specifically identified when the contract was written.

The council was initially funded at \$2 million a year. The funding is renegotiated every three years; current Alyeska funding is approximately \$3 million a year. The council's total annual budget is about \$3.7 million.

Although the council works closely with and is funded chiefly by Alyeska, the council is an independent advisory group. The contract is explicit: "Alyeska shall have no right...to have any degree of control over the formation or operation of the corporation."





Oil Spill Prevention



To ensure a maximum level of safety, the council reviews all aspects of the oil transportation system in Prince William Sound.
These include operations of oil tankers and the Valdez Marine Terminal, oil spills and other incidents, and the adequacy and maintenance of the Coast Guard's Vessel Traffic Service.

TANKER SAFETY

Escort System

The heart of the system for preventing oil spills in Prince William Sound is the fleet of rescue and response tugs that accompany loaded tankers out into the Gulf of Alaska. Thanks to years of study and analysis, and considerable investment by the shipping industry, this system is widely considered the best in the world. This fleet, operated by Alyeska's Ship Escort Response Vessel System, includes five state-of-the-art 10,000-horsepower tugs that have proved their capabilities in actual incidents, as well as in sea trials observed and reviewed by the council.

Federal law now requires that loaded single-hull oil tankers be escorted by two tugs in Prince William Sound, and current practice is for double-hull tankers to have double escorts as well. However, it's unclear what will happen as the tanker fleet completes the transition to double-hull vessels, which is expected to happen by the end of 2008, and the federal requirement becomes moot. After that, the use of double escorts will hinge on voluntary compliance and on state-level requirements, and the council is concerned that the tanker companies may propose to reduce the escort and response system.

As a result, the council in May 2007 adopted a new position on the escort system. It calls for preserving the double-escort requirement, and for strengthening the system with a new requirement regarding the tug kept on station at Hinchinbrook Entrance, where tankers pass from the Sound into the Gulf of Alaska and where they face some of the most extreme sea and weather conditions. That tug would be required to be one of Alyeska's high-performance Prevention/Response Tugs,

also known as PRTs, rather than a conventional tug as is allowed now during maintenance rotations.

Automatic Identification System

In an effort to increase the security and safety of large vessels in U.S. ports, the United States Coast Guard recently required the use of Automatic Identification Systems, or AIS, on all such ships. This system reports the ship's position and navigational status to the Coast Guard and to all AIS-equipped vessels and ground stations nearby.

The council uses an AIS in its Valdez office to compile a data archive describing with great accuracy virtually all tug and tanker traffic in Prince William Sound since early 2006, when our system began operating. Besides providing historical data, we believe, the AIS will increase our ability to monitor the response in real time if a serious oil spill should occur in the Sound.



Loaded oil tankers in Prince William Sound must travel with two escort tugs. Photo by Susan Sommer.

Iceberg Detection and Avoidance

Icebergs have proved to be one of the greatest hazards to tanker navigation in Prince William Sound. In 1989, the Exxon Valdez left the tanker traffic lanes to avoid icebergs, leading to the worst oil spill in North American history. In 1994, the tanker Overseas Ohio collided with an iceberg while coming into Port Valdez and sustained significant damage to its hull. Fortunately, the Ohio was empty and no spill resulted.

Council-sponsored research has determined that ice from Columbia Glacier will continue flowing into the tanker lanes for the foreseeable future. After investigating several ice detection and reporting technologies, the council, along with several partners, launched a major project to use radar to reduce the navigational risk posed by ice.



The council's Valdez office has an Automatic Identification System that shows tug and tanker traffic in the Sound.

A VHF (very high frequency) radar system was installed on Reef Island, near Bligh Reef, scene of the Exxon Valdez disaster. This system began operation in 2002 and continues to operate today. It is linked to Alyeska's escort system facility and to the Coast Guard's Vessel Traffic Service, both in Valdez, enabling oil shippers, coastal pilots, escorts, and the Coast Guard to make informed decisions about shipping schedules and other ice avoidance measures.

Oil Spill Preparedness & Response

The council has devoted significant resources to preventing oil spills, but the risk cannot be eliminated entirely. We must be prepared to respond quickly and effectively in case prevention measures fail. Two council programs address this need:

Oil Spill Prevention and Response Planning, and Oil Spill Prevention and Response Operations.



State and federal laws require the operators of oil tankers, the Valdez Marine Terminal, and the trans-Alaska pipeline to prepare detailed plans showing how they will respond to oil spills should prevention measures fail. The council devotes much time and attention to oversight of these all-important plans.

In many cases, the council participates with government and industry on the working groups that develop these plans, known as contingency plans. The council also conducts independent reviews and submits comments and recommendations.

The council promotes compliance, enforcement, and funding for state and federal regulations and oversight, and also supports the Alaska





Above: Fishing vessels conduct regular training exercises in oil spill response. This one was held near Cordova in October 2006. Photo by Dan Gilson.

Top Right: Council representatives meet frequently with Coast Guard officials on Prince William Sound issues. Here, board members Stan Stephens and Tom Jensen visit Coast Guard Commandant Thomas Collins during a 2005 trip to Washington. Photo by Marilyn Leland.

Lower Right: Tim Robertson, a council contractor, discusses Geographic Response Strategies during a review of oil-spill contingency plans.





The Santiago participates in oil spill response training near Cordova in October 2006. Photo by Dan Gilson.

Coastal Management Program. Along with local communities, the council encourages the incorporation of local knowledge of sensitive areas into contingency planning.

During the past year, the council reviewed applications for new contingency plans for oil tankers and for the Valdez terminal.

Valdez Marine Terminal Contingency Plan

As discussed at the beginning of this report, the council participated from the earliest stages in developing an updated oil spill contingency plan for Alyeska's tanker terminal in Valdez. For several years, a workgroup has met regularly to improve the plan. The council participated in this workgroup with the statefederal Joint Pipeline Office, the Coast Guard, Alyeska, and the Alaska Department of Environmental Conservation.

Issues tackled by this workgroup included training, storage tank status and inspections, and new contingency plan regulations adopted by the state of Alaska in December 2006. The plan is expected to be completed and approved by March 2008.

We consider this one of the most successful such processes we have seen. In recognition, we nominated Alyeska for the Pacific States/British Columbia Oil Spill Task Force 2007 Legacy Award and recommended the Alaska Department of Environmental Conservation for honorable mention. (As a member of the Task Force, it is not eligible for the Legacy Award).

Oil Tanker Contingency Plans

As also discussed earlier, a new oil spill contingency plan for tankers in Prince William Sound was submitted to the state of Alaska in February 2007. It had been prepared by the tanker industry in private, without citizen input, and was so deficient that the state declined to put it out for public review and comment. Instead, the tanker companies were directed to rework and re-submit it. At that point, the companies did invite citizen involvement, and the council subsequently participated in several workgroups in an effort to improve and clarify the plan. Nine areas of concern were addressed, including escort tugs, non-mechanical response tactics such as dispersing or burning floating oil, and Geographic Response Strategies.

In our view, the handling of the oil tanker contingency plan—especially in contrast with the development of the updated plan for the Valdez oil terminal—is a strong illustration of the need for, and value of, transparency and citizen involvement in such processes, as envisioned in the Oil Pollution Act.





In a May 2007 drill, this oil spill response barge demonstrates how water separated from recovered oil would be discharged back into Prince William Sound in the event of a real spill. Photo by Susan Sommer.

Geographic Response Strategies

These are oil spill response mini-plans specific to sensitive areas and resources, such as salmon streams and clamming beaches. The council has long worked to have them included in oil spill contingency plans for Prince William Sound and the Gulf of Alaska.

As this report went to press, a total of 238 Geographic Response Strategies had been completed and another 20 are expected to be completed in the coming year.



Geographic Response Strategies can be reviewed at www.state.ak.us/dec/spar/perp/qrs/home.htm online.





A fishing vessel participates in a training exercise near Homer in October 2006. The equipment alongside is part of a system for skimming floating oil off the water. Photo by Susan Sommer.

Weather and Sea Current Data Collection

Weather conditions and sea currents affect nearly every aspect of oil transportation safety. They can play a role, sometimes the determining role, in efforts to prevent or to clean up oil spills. Consequently, the council promotes constant improvements in the system for collecting weather and current information for Prince William Sound.

We are partners with the Cordova-based Oil Spill Recovery Institute in a project to install weather stations in the Sound, many of which incorporate web cameras in addition to datagathering equipment. Fifteen of the stations are now set up or scheduled to be installed in the near future. Web camera images from many of them are available at http://ak.aoos.org/pws/web_cams.php on the Internet.

The council is working to deploy gauges to collect data on wave height and frequency in Valdez Arm, where very little such information is available at present.

ShoreZone Mapping

The council has been involved in ShoreZone mapping in Prince William Sound since 2004. ShoreZone mapping involves shooting aerial video of shorelines during the lowest tides of the year. Biologists and geologists aboard the aircraft provide commentary on the video sound tracks during the overflight. Their information is used to create detailed maps and databases of the shorelines that were videotaped; in addition, the video itself becomes part of the ShoreZone information bank.

The council's primary goal in ShoreZone mapping is to have this detailed information available for use in oil spill response planning (including the preparation of Geographic Response Strategies) and in actual responses. However, the information has other uses as well, including education and research unrelated to oil spills.

To date, the council has funded or co-funded mapping of approximately 1,680 miles of shoreline in the Sound, including 745 miles in the past year. When work in the Sound funded by other organizations is completed in the coming year, there will be a continuous set of habitat mapping data stretching from Southeast Alaska to Kodiak.

ShoreZone mapping data—including aerial video imagery—is available to the public at www.CoastAlaska.net on the Internet.



The council has helped with a project to install 15 weather stations in Prince William Sound. Webcam images from many are available at http://ak.aoos.org/pws/web_cams.php on the Internet.

OIL SPILL PREVENTION AND RESPONSE OPERATIONS

It takes more than volumes of carefully written and reviewed contingency plans to effectively respond to an oil spill or to an emergency that could cause one. It also takes equipment, trained people, and a management system to implement the plan. And it takes practice, practice, practice. The council's oil spill prevention and response operations program is tasked with monitoring the operational readiness of Alyeska's Ship Escort Response Vessel System and the tanker companies, and with making sure the council itself is prepared to respond to oil spills and other emergencies.

Council staff members, volunteers, and contractors monitor and report on spill response drills, exercises, and training throughout the region to provide citizens, regulators, and responders with information about the state of readiness and to make recommendations for improvement. Most of the monitoring work is done by council staffers, who present annual reports summarizing each year's activities, lessons learned, recommendations, and outstanding issues.

In the past year, two major multi-day drills were conducted in Valdez. Both of these—one by ExxonMobil's SeaRiver Maritime in September 2006 and another by BP in May 2007—included over one hundred participants and focused on a process called "transition." This occurs when the oil company responsible for a spill takes over response management from the Ship Escort Response Vessel System, or SERVS, which manages the initial response.

Alyeska keeps a large fleet of fishing vessels under contract to help with the cleanup in the event of another big oil spill, and the council works to make sure the crews of these vessels have the training and resources they need to be effective.

In March 2007, the council hosted a Fishing Vessel Workshop in Anchorage. The purpose was to provide vessel owners in the program a forum to discuss training and other issues of concern. Officials of the Alaska Department of Environmental Conservation attended, as did a representative from SERVS.

The Response Gap

The council has long been concerned about the 'response gap'—the fact that loaded tankers are allowed to sail through Prince William Sound in weather so harsh that oil recovery would not be possible in the event of a spill.

To address this problem, the council hired a consulting firm to analyze the response gap and examine what could be done about it. The consultant concluded the gap may be 'open'—meaning oil recovery is not possible—as much as two-thirds of the time during the winter, and about one-sixth of the time even in summer. On a year-round basis, the consultant estimated, oil recovery in some areas of the Sound is impossible 38.5 percent of the time, or 140 days a year.

The consultant recommended that an effort be started to find ways to improve response capability so as to reduce the response gap. The consultant also recommended additional research into the problem, and the council has taken the first steps to implement those recommendations. The report, Response Gap Estimates for Two Operating Areas in Prince William Sound, is available at www.pwsrcac. org/docs/d0034200.pdf on the council's website.

Environmental Protection & Science



The Oil Pollution Act directs our council to review, monitor and comment on Alyeska's environmental protection capabilities, as well as the actual and potential environmental impacts of terminal and tanker operations. The Act also calls on us to develop recommendations on environmental policies and permits. The council carries out this work through two major programs: Terminal Operations and Environmental Monitoring. Under the leadership of the Scientific Advisory Committee and the Terminal Operations and Environmental Monitoring Committee, the council commissions scientific studies to determine actual or potential risks, to document levels of pollution and biological effects, and to better understand new technologies and the environmental costs or benefits that might be associated with their use.



TERMINAL OPERATIONS

Besides posing the risk of a major oil spill caused by earthquake or accident, Alyeska's Valdez tanker terminal produces ongoing pollution from routine operations, as allowed by its permits from regulatory agencies. The council oversees terminal operations in an effort to minimize the risk of spills, as well as to make sure that pollution is within regulatory limits and that those limits are set at the lowest feasible levels.

The council has monitored oil loadings at the terminal since January 2002. At that time, about 968,000 barrels of North Slope



North Slope crude starts its sea voyage south at the Alyeska terminal in Valdez. Photo by Stan Jones.

crude moved through the terminal and onto tankers every day. Since then, oil flow has dropped steadily, reaching an average of about 692,000 barrels a day by May of 2007. That's barely more than a third of what the trans-Alaska pipeline carried to Valdez at its peak of about 2 million barrels a day in the early 1990s.

However, the value of the oil moving through the terminal has gone up, not down, because crude oil prices have risen so sharply. In 2002, the oil moving through Valdez was worth about \$8.4 billion; in 2006, the value was \$15.8 billion.

Even at a shore facility like the oil terminal, Prince William Sound weather can cause problems. Unusually windy conditions during the winter of 2006-2007 sent waves breaking over the booms placed around tankers at the terminal to contain spills during loading. This required a shutdown of loading operations at a time when Alyeska had taken four of its 18 large oil storage tanks out of service. As a result, the 14 tanks still in service became so full that North Slope oil production and trans-Alaska pipeline operations were affected.

Situations like this are why the council pays such close attention to oil flow and tank levels at the terminal, and to the actions that Alyeska and regulators take to manage high inventory levels in the storage tanks. Alyeska has reported that it is seriously considering returning another tank to service, which would give a total of 15.

A sample is taken for analysis from the open-air Biological Treatment Tank at Alyeska's Ballast Water Treatment Facility. Photo by Tom Kuckertz.



This storage tank is part of Alyeska's facility for treating oily ballast water that comes off of arriving tankers. Photo by Tom Kuckertz.

Air and Water Quality

The terminal is a major source of volatile organic compounds and other air pollutants, primarily because of hydrocarbon vapors released at the Ballast Water Treatment Facility. Some of these emissions are known carcinogens and may be affecting health or the quality of life in Valdez. The council is working to reduce concentrations of hazardous air pollutants in Valdez and at the terminal.

The vapors are released because some tankers arrive in Valdez with significant quantities of oily ballast water carried in cargo tanks to provide navigational stability during the trip north.

This water is cleaned at the ballast water facility, where concentrations of specified pollutants in the water are reduced to permitted levels of a few parts per million before it is discharged into Port Valdez. These discharges occur under a National Pollutant Discharge Elimination System permit issued by EPA and a separate permit issued by the Alaska Department of Environmental Conservation. The council reviews the permit applications during the renewal process, which last occurred in January 2005.

Until recently, the system included almost no effort to control the hydrocarbon vapors released during the three-stage treatment process. The council worked with Alyeska and, for the first time, the oil companies that own it to get a commitment from the owners to reduce these vapor emissions. The efforts were largely successful, as recognized by the council in a series of newspaper advertisements in late 2006.

Since then, the council has collaborated with Alyeska on development of vapor controls for the ballast water facility, and work is well under way on fixes for the first two stages of the three-stage process.



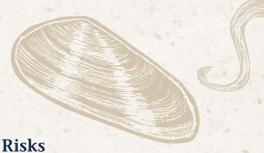


Alyeska's Valdez terminal is equipped to load two tankers simultaneously. Photo by Tom Kuckertz.

However, Alyeska has experienced considerable difficulty in finding a suitable replacement for the third stage. It consists of two large open-air pools where bacteria eat some of the hydrocarbons still in the ballast water while other hydrocarbons are given off as vapors. Alyeska has been active in prototyping and testing processes that offer promise for controlling these third-stage vapors.

Terminal Integrity Issues

Since 2006, the council has been investigating concerns raised by whistleblowers about faulty welds, incorrect welding procedures, and regulatory indifference during work that occurred in 2002 on four tanks that store crude oil, ballast water, or diesel fuel at the terminal. While it appears that some welding irregularities may have occurred, Alyeska maintains that all welds are safe. As this report goes to press, Alyeska and the council have joined forces to retain an independent tank welding expert to review the matter.



Earthquake Risks

Alyeska's Valdez tanker terminal was designed to withstand earthquakes as strong as the Good Friday earthquake that devastated Valdez and many other Alaska coastal areas in 1964.

However, the Good Friday earthquake is now believed to have been more severe than originally thought, so the council is concerned that the terminal might suffer serious or catastrophic damage in another such event.

The council retained experts to review seismic safety at the terminal. While their report is not final, one preliminary finding is that major earthquakes in the area may be more frequent than previously thought. It had been estimated that a Good Friday-scale earthquake could occur every 2,500 years, but the experts concluded from landslide evidence that another large earthquake occurred in the area only 1,000 years ago.

ENVIRONMENTAL MONITORING

Chemical Dispersants

Chemical dispersants are substances that, when applied to spilled oil, are claimed to do as their name suggests: they disperse it into the water column, rather than leaving it floating on top in a slick. The council promotes research and testing to increase knowledge about chemical dispersants and the environmental consequences of their use on oil spills in Alaska waters.

The council has voiced concerns about efficacy, toxicity, resurfacing, and other dispersant issues for years, urging regulatory agencies to take a conservative approach towards their use. Because outstanding questions have not been answered and research has not demonstrated that dispersants would even work in the waters of Prince William Sound, these concerns remain largely unaddressed and the council continues its advocacy for research into the many questions about dispersant use in cold seawater.



The council maintains a comprehensive Internet site on chemical dispersants at www.pwsrcac.org/projects/EnvMonitor/dispers.html online.



Council board member Stan Stephens meets with agency officials to oppose simulated use of chemical dispersants in a 2006 oil-spill drill. Photo by Susan Sommer.

The council's formal position on dispersants, adopted in May 2006, is as follows:

After years of observing dispersant trials, dispersant effectiveness monitoring, advising and sponsoring independent research regarding chemical dispersant use, it is the position of the Prince William Sound Regional Citizens' Advisory Council (the Council) that dispersants should not be used on Alaska North Slope crude oil spills in the waters of our region. Until such time as chemical dispersant effectiveness is demonstrated in our region and shown to minimize adverse effects on the environment, the Council does not support dispersant use as an oil spill response option. Mechanical recovery and containment of crude oil spilled at sea should remain the primary methodology employed in our region.

Aquatic Nuisance Species

Not all ballast water discharged in Port Valdez requires treatment to remove oil. Some tankers employ segregated ballast tanks where "clean" sea water is used for stability. This "clean" ballast is filled with living organisms that are discharged with it into Prince William Sound and Port Valdez as tankers approach the Alyeska terminal for loading. Because of the potential for invasions by harmful species, the council has made this issue a high priority since 1996.

In partnership with the U.S. Fish and Wildlife Service, NOAA's Sea Grant program, Alyeska, and the University of Alaska Fairbanks, the council has co-sponsored a series of scientific studies conducted by the Smithsonian Environmental Research Center since 1997. At present, our financial partners are the U.S. Fish and Wildlife Service and the National Park Service.

The Smithsonian researchers were involved in two major efforts for the council this past year. The first was a pilot project to monitor for the presence of non-native tunicates, or sea squirts, because they can grow in high densities and cause problems for other marine species. The council staff helped by setting up monitoring stations at the Valdez Marine Terminal in the summer of 2006 and following up with another Port Valdez monitoring station in 2007. The 2006 monitoring in our region did not turn up harmful invasive tunicates. The 2007 monitoring is part of a global monitoring effort.

The Smithsonian researchers submitted a draft report forecasting the northward spread of four invasive species to Alaska waters. The report concludes that all four species—an invasive



barnacle, the European green crab, the club tunicate, and the Atlantic periwinkle—could find suitable environments in Alaska waters to survive and could be indicative of other invasive species spreading to Alaska:

"Our analyses indicate that Alaskan coastal waters are at risk of invasion by nonindigenous species now present in western North America. ... conditions exist in Alaska and other uncolonized regions that could support populations of all four species examined. More broadly, these results suggest that many nonindigenous species along the west coast may have the capacity for northward spread to Alaska."

The council continues to stay active in an effort to establish a state-wide invasive species group that we hope will foster proactive management strategies, among other things. Other participants in this group include regulators, academia, and other non-governmental organizations.

In addition, we hold seats on the national Invasive Species Advisory Committee, the Western Regional Panel of the National Aquatic Nuisance Species Task Force, and the West Coast Ballast Outreach Project Advisory Committee.

For many years, the council has sponsored a trapping effort in Port Valdez for the European green crab, which has traveled up the West Coast from San Francisco Bay at an alarming rate. Although it has not been reported in Alaska, it is of concern because ballast water is a known pathway for this crab. We have expanded the green crab monitoring network by working with organizations and students in our region. We expect the expansion to continue in the upcoming year and to be supported in other regions through a network being established by the Kachemak Bay Research Reserve. This will provide consistency in monitoring across the state.



Information on the council's Long-Term Environmental Monitoring Program is available at www.pwsrcac.org/projects/EnvMonitor/Itemp.html online.



The council organized a successful film festival with a major focus on invasive species as part of the Alaska Forum on the Environment held in February 2007. This was a great opportunity to provide important invasive species information in an entertaining fashion to a larger environmental community in Alaska.

More information on the council's invasive species program can be found at www.pwsrcac. org/projects/NIS on the Internet.

Regional Environmental Monitoring

In 1993, the council established a Long-Term Environmental Monitoring Program, called LTEMP, that continues today. It is designed to assess the status of hydrocarbon levels in our region, as well as long-term trends and any new developments that could have an effect on the levels.

Samples are collected at 10 intertidal sites in Prince William Sound and the Gulf of Alaska. Mussel tissues and sediments from the sites are analyzed in a laboratory to determine whether hydrocarbons are accumulating and, if so, their source. The result is the largest chronological set of data for hydrocarbons in Prince William Sound ever compiled. This data set is available for use by other researchers.

In the coming year, data from 1993 to 2005 will be analyzed by an independent contractor to evaluate how well the project is meeting its objectives and to help the council coordinate future environmental monitoring efforts.



A related project is investigating whether local fish species can accumulate hydrocarbons in their bodies by eating contaminated food from the marine environment.

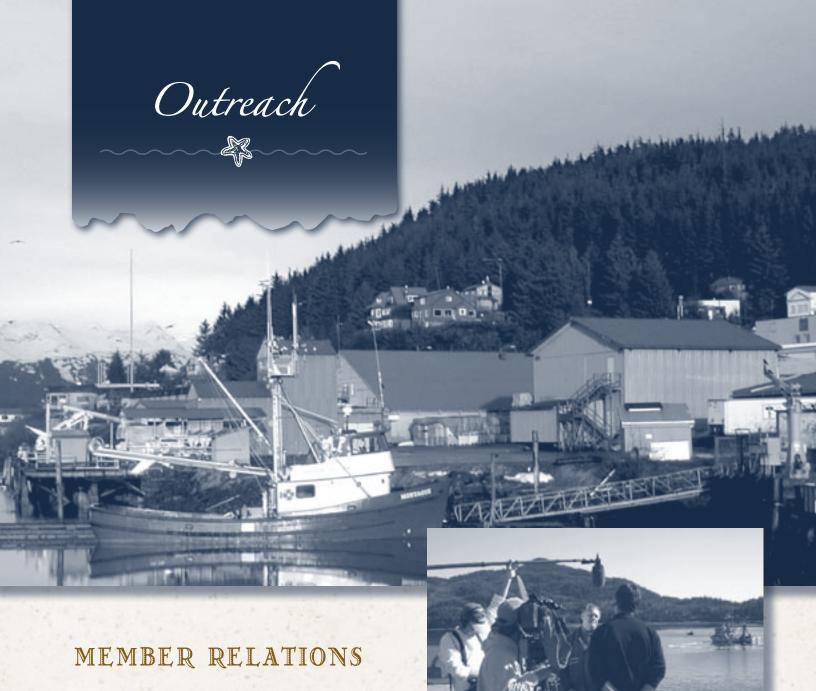
Many LTEMP reports, along with additional information on the program, are available at www.pwsrcac.org/projects/EnvMonitor/Itemp. html on the council website.







Above: Sediment samples are collected annually for the council's Long-Term Environmental Monitoring Program. Kelly Walker, a Valdez high school student, joined this summer's sampling cruise. Photos courtesy of Bill Driskell.



The council has a full-time staff position, called Outreach Coordinator, to maintain productive relations with the 18 communities and interest groups that make up its membership. The coordinator visits communities in the region, attends member group functions, gives presentations, coordinates special events involving the council and its member groups, and generally encourages citizen involvement in the council's work.

Outreach activities in the past year included participation at events in such council communities as Homer, Seldovia, Valdez, Kodiak, Cordova, Seward, Tatitlek, and Chenega Bay. The council's information booth was also set up at numerous conferences and

Top: Cordova, one of the council's member communities, is a fishing port with a busy harbor. Photo by Linda Robinson.

Above: The council maintains good relations with the news media. Here, Executive Director John Devens is interviewed by a TV crew during a visit to Chenega Bay, in Prince William Sound.

meetings in places ranging from Anchorage to Seattle to Montreal to Edmonton.

The council has produced a film on educational and career opportunities in the areas of marine science and seafaring, and is developing a 30-minute film history of the Exxon Valdez oil spill. It will include personal interviews and footage of the spill, and will help commemorate the 20th anniversary of the spill in the spring of 2009.

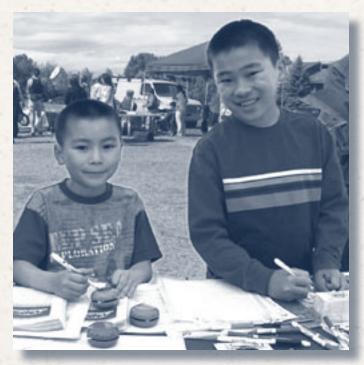
The council has also updated and posted on its website an oil spill curriculum for use in schools, and has brought out the fourth edition of its coloring book for children.

CITIZEN OVERSIGHT AROUND THE WORLD

The Oil Pollution Act designates the Alaska citizens' councils as demonstration programs. In the years since our birth, we have seen the citizen oversight movement spread worldwide, and we have increasingly become a resource for citizens elsewhere who hope to establish their own programs.

In the fall of 2006, the council provided information to Congress on the question of a citizen oversight group for Alaska's North Slope. Interest in such a group rose after BP experienced pipeline leaks that eventually led to the shutdown of about half the Prudhoe Bay oilfield. Some of the council information was added to the Congressional record by Sen. Lisa Murkowski, but, so far, no such group has been formed.

In May 2007, the council's executive director traveled to Finland and Estonia at the request of the U.S. State Department to discuss oil spill prevention and response strategies with citizens of those countries. We stand ready to continue sharing the lessons we've learned since 1989 about the value of citizen oversight, and how to make it work.



Future oceanographers? These boys showed up to color crab pictures at the citizens' council booth during the Alaska Oceans Festival in Anchorage. Photo by Tamara Byrnes.



John Devens, the council's executive director, was the guest of honor at the American embassy in Estonia during a federally sponsored trip to explain citizen oversight to residents of other countries. Shown with him here are Rebecca Raman and Taimi Alas of the embassy staff. Photo courtesy of John Devens.



PUBLICATIONS

The council increases public awareness on a wide range of issues pertaining to crude oil transportation through printed and electronic publications.

The Observer, a free quarterly newsletter, is distributed throughout Prince William Sound, the northern Gulf of Alaska, lower Cook Inlet and the Kodiak Archipelago. The Observer is also sent on request to interested citizens elsewhere, as well as to regulators and industry. In addition, it is posted on the council website, www.pwsrcac.org.

The Observer covers council activities, developments in the oil transportation industry, and news about policy and operational issues related to marine oil transportation. Major oil spill drills are covered, and Alyeska is invited to submit a column for each issue. In the course of preparing articles for *The Observer*, the council frequently invites feedback from appropriate industry and regulatory personnel.

We publish a concise monthly email newsletter, *The Sound Approach*, which includes such

regular departments as "Council News,"
"Reading Room," and "Featured Links."
It also offers interesting tidbits about our region, oil transportation, and related topics.

The council maintains an extensive, awardwinning website, www.pwsrcac.org, which provides information about our work, membership, mission, and projects. The council makes available a 14-minute video about its origins, mission, and activities. This video, titled "A Noble Experiment: The Story of the Prince William Sound Regional Citizens' Advisory Council," is shown at conferences and other events attended by the council, and is distributed free to member entities for use in informing their constituents about the council. It can be viewed at video.google.com/videoplay?docid=3 9275729294009273 on the Internet. The council also places public service announcements about its work, mission, and concerns on radio stations in the Exxon Valdez oil spill region. Many of these announcements feature council volunteers telling about their own lives and why they decided to donate their time and energy to the council's work. These announcements are available for playback at www.pwsrcac.org/ newsroom/radio.html on the council website.



STATE GOVERNMENT RELATIONS

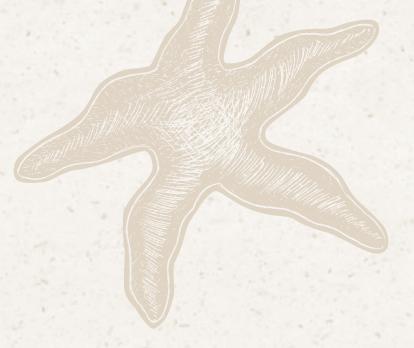
The council monitors state actions, legislation and regulations that relate to terminal or tanker operations, or to oil spill prevention or response. To track developments in the state capital, the council retains a monitor under contract during the legislative session. This area of council activity is coordinated by a Legislative Affairs Committee made up of members of the council board. During the legislative sessions of 2007, the committee focused its efforts on securing adequate long-term funding for the Alaska Department of Environmental Conservation's Division of Spill Prevention and Response.

FEDERAL GOVERNMENT RELATIONS

The council monitors federal government actions and issues through contract representatives in Washington, D.C. During the past year, we have increasingly focused on legislation to address the problem of aquatic nuisance species. In particular, we have monitored and been active on the issue of requiring domestic oil tankers bound for Valdez to exchange their ballast water at sea to reduce the threat of Alaska waters being invaded by non-indigenous species.



Council representatives met with Sen. Lisa Murkowski in Washington, D.C., in early 2007. From left to right, Stan Jones, council staff; Blake Johnson, council board; John Devens, council staff. Photo courtesy of Sen. Murkowski's office.



RECERTIFICATION

The Coast Guard certifies the council as the federally approved citizens' advisory group for Prince William Sound, pursuant to the Oil Pollution Act. The council has been the certified group since 1991.

Under the annual recertification process, the Coast Guard assesses whether the council fosters the general goals and purposes of the Act and is broadly representative of the communities and interests as envisioned in the Act.

As part of its recertification process, the Coast Guard considers comments from industry, interest groups, and citizens. The council fulfills the requirement for an industry-funded citizens advisory group, but it was established before the law was enacted.



Board of Directors

WHO WE ARE

The council is an organization of organizations. Our members include state-chartered cities and boroughs, tiny Alaska Native villages with tribal governments, Native corporations, commercial fishing organizations, an environmental consortium, and groups representing the tourism industry.

Each member entity chooses one representative to our board. The lone exception is Valdez. It has two representatives, giving our board a total of 19 members. The board meets three times a year. The January meeting is in Anchorage, the May meeting is in Valdez, and the September meeting rotates among other member communities in the oil spill region.

Who serves on the board?

The names and faces change, but current and recent board members have included commercial fishermen, a school-teacher, the chief executive of a regional Native corporation, tourboat operators, an oilfield engineer, and a village mayor.

EXECUTIVE COMMITTEE



PATIENCE ANDERSEN
FAULKNER
President
Cordova District
Fishermen United



Stephen Lewis
Vice President
City of Seldovia



Marilynn Heddell Secretary City of Whittier



John French Treasurer City of Seward



BLAKE JOHNSON Member at Large

Kenai Peninsula Borough



STAN STEPHENS Member at Large

Alaska Wilderness Recreation and Tourism Association



JOHN VELSKO Member at Large City of Homer

OTHER DIRECTORS



JOHN ALLEN

Community

of Tatitlek



Nancy Bird City of Cordova



AL BURCH Kodiak Island Borough



SHERI BURETTA
Chugach Alaska Corp.



JANE EISEMANN
City of Kodiak



PETE KOMPKOFFCommunity of Chenega



George Levasseur

City of Valdez



THANE MILLER
Prince William Sound
Aquaculture Corp.



DOROTHY M.

MOORE

City of Valdez



JIM NESTIC

Kodiak Village Mayors

Association



WALTER PARKER
Oil Spill Region
Environmental Coalition



BILL SCHOEPHOESTER Alaska State

Chamber of Commerce

EX-OFFICIO BOARD MEMBERS (Non-Voting)

RON DOYEL

Alaska Department of Environmental Conservation

MARK FINK

Alaska Department of Fish and Game/Sport Fish Division

COMMANDER VERNE GIFFORD

U.S. Coast Guard/Marine Safety Unit Valdez

JOE HUGHES

Bureau of Land Management

CARL LAUTENBERGER

U.S. Environmental Protection Agency

Doug Mutter

U.S. Department of the Interior

W. SCOTT PEGAU

Oil Spill Recovery Institute

SCOTT PEXTON

Joint Pipeline Office

SHARON RANDALL

U.S. Forest Service

JOHN WHITNEY

National Oceanic and Atmospheric Administration

PATRICIA WINN

Alaska Division of Homeland Security and Emergency Mgmt.

Committees



As of June 30, 2007

Four standing committees advise the Board of Directors and the council staff on projects and activities. Committee volunteers also assist the staff on individual projects. The advisory committees are made up of interested citizens, technical experts, and members of the council board. Committee volunteers are selected through an annual application process. They are appointed to two-year terms and may serve consecutive terms.

OSPR

Oil Spill Prevention and Response Committee:

Minimize the risks and impacts associated with oil transportation through strong spill prevention and response measures, adequate contingency planning, and effective regulations.

JOHN FRENCH Chair, Council Director City of Seward

Jerry Brookman Kenai

David Goldstein
Whittier

JOE JABAS Valdez

JOHN LECLAIR

Anchorage

George Levasseur Council Director City of Valdez

Walter Parker
Council Director
Oil Spill Region
Environmental Coalition

GORDON SCOTT

Girdwood

JOHN VELSKO Council Director City of Homer

This picturesque Russian orthodox church is in Tatitlek, one of the council's member communities. Photo by Tom Kuckertz.



SAC

Scientific Advisory Committee:

Promote the environmentally safe operation of the terminal and tankers through independent scientific research, environmental monitoring, and review of scientific work.

RICHARD TREMAINE Chair

Anchorage

PETER ARMATO, Ph.D. Seward

JENNIFER BURNS, PH.D. *Anchorage*

JOHN FRENCH, Ph.D. Council Director

City of Seward

ROGER GREEN, Ph.D. Hope

Agota Horel

Fairbanks

JOHN KENNISH, PH.D. Anchorage

DOROTHY M. MOORE Council Director City of Valdez

AJ PAUL, PH.D. Fairbanks



John Velsko of Homer serves on the board of directors and on two of the council's standing advisory committees. Photo courtesy of John Velsko.

TOEM

Terminal Operations and Environmental Monitoring Committee:

Identify actual and potential sources of episodic and chronic pollution at the Valdez Marine Terminal.

Bob Benda Chair Valdez

Jo Ann Benda Valdez

NANCY BIRD Council Director City of Cordova

JON BOWER

Davis, CA

Denise Saigh Anchorage

George Skladal

Anchorage

STAN STEPHENS Council Director

Alaska Wilderness Recreation and Tourism Association

Janice Wiegers

Fairbanks

POVTS

Port Operations and Vessel Traffic Systems Committee:

Monitor port and tanker operations in Prince William Sound.

ROBERT JAYNES Chair Valdez

Duane Beland
North Pole

CLIFF CHAMBERS
Seward

BILL CONLEY Valdez

JANE EISEMANN
Council Director
City of Kodiak

PETE HEDDELL
Whittier

BILL SCHOEPHOESTER Council Director

Alaska State Chamber of Commerce

JOHN VELSKO Council Director City of Homer



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Review of The Status of Fire Protection Facilities and Fire Team Readiness at Alyeska's Valdez Marine Terminal. Loss Control Associates, 8/23/2006. 554.431.060823.LCAvmtRpt.pdf

Report on the Non-Mechanical Response for the T/V Exxon Valdez Oil Spill. Citizens' council, 8/30/2006. 955.431.060830.EVOSresponse.doc

Briefing Paper on the Role of Statutorily Established Citizen Oversight Councils in the Conduct of Oversight of Oil Transportation Operations, Facilities and Procedures. Citizens' council, 9/1/2006. 270.107.060901.RCACBackgrnd.doc

2004-2005 Long Term Environmental Monitoring Report. James R. Payne, William B. Driskell, Jeffrey W. Short, and Marie L. Larsen, 11/1/2006. *951.431.061101.AnnualLT2005.pdf*

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Prince William Sound Escort and Response System and Policies. Nuka Research and Planning Group, LLC., 12/1/2006. 801.431.061201.IssuesPolicy.pdf

Response Gap Estimates for Two Operating Areas in Prince William Sound. Nuka Research and Planning Group, LLC., 12/22/2006. 756.431.061222.NukaRGFnlRpt.pdf

VMT System Integrity Issues Summary of Findings of Facts, Allegations and Recommendations. Harvey Consulting, 4/5/2007. 505.431.070405.HrvyTankFind.pdf

White Paper: The Imperative to Protect Alaska Waters from Aquatic Invasive Species. Citizens' council, 6/1/2007. 952.107.070601.AquInvasSpec.pdf

Different Outcomes on Oil Spill Plans Show Value of Citizen Involvement. Guest editorial opinion by John Devens, 5/14/2007.

These are just a few of the many reports, papers, presentations, and media releases produced by the council in the past year. For further information, or to obtain copies, visit the council website or contact either council office (see facing page).

Staff & Offices



Purse seiners pull in a netful of salmon near Chenega Bay. Photo by Stan Jones.

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Stan Jones, Director of External Affairs
Lisa Ka'aihue, Director of Administration
Barb Penrose, Data Entry Assistant
Emily Polley, Project Manager Assistant
Linda Robinson, Outreach Coordinator
Mary Schonberger, Office Manager
Susan Sommer, Project Manager
Linda Swiss, Project Manager

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